

RESOLUTION 20-14

A RESOLUTION OF THE CITY OF PANAMA CITY BEACH, FLORIDA, APPROVING AN AMENDMENT TO THE CITY'S PERSONNEL POLICIES TO PROVIDE FOR THE VOLUNTARY EARLY PAYOUT OF ACCRUED SICK LEAVE TO THE CITY'S DROP PARTICIPANTS.

WHEREAS, upon separation from the City, employees are eligible to be paid for accrued sick leave, among other things; and

WHEREAS, for employees who have entered the DROP program, particularly those who have been with the City since January 1, 2008 or prior, the payments for accrued leave for which they are eligible are significant, and can have equally significant tax consequences for the separating employee; and

WHEREAS, in May 2018 and May 2019, the City authorized voluntary early payouts of accrued sick leave to eligible employees; and

WHEREAS, Staff recommends the Council adopt a policy that would permit DROP participants to voluntarily apply for early sick leave payouts each year they are in the DROP program to reduce the potential tax burden of a full payout upon separation.

NOW THEREFORE BE IT RESOLVED that:

1. The City hereby approves an amendment to the City's sick leave policy providing for the voluntary early payout of sick leave to employees in the DROP program, in substantially the form attached as Exhibit A and presented to the Council today, and the appropriate officers of the City are authorized to codify the amendment in the City's personnel policies.
2. Notwithstanding the language of the policy, for purposes of its immediate implementation the City Council directs that for participants in the DROP as of October 24, 2019, who wish to apply for an early payout before December 31, 2019, they may apply for a payout whose cap shall be prorated based on their number of years in the DROP program. (IE, if 2 years in the DROP, the employee may apply for a payout up to 40%.) Participants in the

DROP as of October 24, 2019 shall be eligible for payout before December 31, 2019, without regard to whether the participant took advantage of the early payout authorized in May 2019.

This Resolution shall take effect immediately upon its passage.

PASSED, APPROVED AND ADOPTED at the regular meeting of the City Council of the City of Panama City Beach, Florida this 24th day of October, 2019.

CITY OF PANAMA CITY BEACH



MIKE THOMAS, MAYOR

ATTEST:


MARY JAN BOSSERT, CITY CLERK

EXHIBIT A

SECTION V

EMPLOYEE
BENEFITS

The City of Panama City Beach seeks to provide for its employees the protection and security of continuing salary or wage payments during periods when illness, vacation, emergency, or certain civic responsibilities may require time away from the job. Such periods, termed "leaves of absence", are to be considered a privilege--not a right. They are to be administered with the understanding that the City seeks to provide time off with pay in situations where such is reasonable and does not interfere with the City's ability to perform its normal municipal functions.

SICK LEAVE

Accrual. One work day of sick leave allowance shall be granted for each month of service completed. Regular full time employees earn 3.69 hours (4.89 hours for line firefighters) of sick leave per pay period worked. Sick leave may not be used until three (3) months service is completed. Sick leave does not accumulate while on leave without pay unless otherwise provided by state or federal law. Part time or seasonal employees are not eligible for this benefit.

The City has no maximum for sick leave accumulation.

Payment Upon Separation. Regular full-time employees who were employed on or before January 1, 1998, will be paid for not more than 2080 (2756 for line firefighters) accumulated sick leave hours upon separation. After **June 1, 2017**, a line firefighter changing to a 2080 annual hour employee, will not be paid for more than 2080 hours under this rule.

Regular full-time employees hired after January 1, 1998 but before August 1, 2001, are eligible for not more than 500 hours of accrued sick leave upon separation.

Regular full-time employees hired after August 1, 2001 but before **June 1, 2017** are eligible to be paid for accrued sick leave upon separation based on the following schedule not to exceed the cap of 500 hours pay out:

YEARS OF SERVICE COMPLETED	ACCRUED SICK LEAVE PAID UPON SEPARATION
1-9	0%
10-14	50%
15-19	75%
20+	100%

Regular full time employees hired after **June 1, 2017** are not eligible to be paid

for accumulated sick leave upon separation.

All other employees will be eligible to be paid for accumulated sick leave upon separation, though the amount of pay-out leave shall be frozen at the employee's current sick leave balance existing on **June 1, 2017** for pay-out purposes. Any new sick leave accrued above the frozen balance will not be credited to the employee upon separation, and conversely, use of frozen (banked) leave shall be forfeited by employee as it is used.

Employees who are participants in the Deferred Retirement Option Plan (DROP) may apply each year they are in the DROP for an early payout of up to 20% or 200 hours of their accumulated sick leave, whichever is more. The deadline for such annual application shall be at least 30 days prior to the desired payout date. Payouts shall not be effected during any pay period in which the applicant has accrued overtime.

Use. Sick leave is to be used for employee's illness or illness of employee's spouse, children or a parent in which the employee is needed to provide care. SUBMISSION OF PROOF MAY BE REQUIRED.

A. Employees who are absent more than three (3) consecutive scheduled working days due to illness may be required to submit a physician's statement, at the request of the employee's supervisor.

B. Supervisors are authorized to make any investigation of benefits, claimed by their employees under this rule, which they deem necessary and to deny any claims not properly substantiated.

C. For purposes of reporting sick leave, increments in one fourth of an hour will be used. Fifteen (15) minutes is established as a minimal amount of sick leave to be reported.

D. The unscheduled use of sick leave on six (6) or more occasions within a twelve month rolling period will be documented to the employee's personnel file by the employee's supervisor and may reflect negatively on the employee's annual evaluation. All consecutive work day absences for the same reason will be considered as one occasion for the purpose of this policy. The unscheduled use of sick leave on six (6) or more occasions, or as otherwise found to be excessive by the supervisor and Department Head, may be subject to discipline.

E. Sick leave earned and not used during any pay period will be credited to the employee on the last day of that pay period.

F. All Department Heads and supervisors will ensure sick leave is accurately recorded and meet all the guidelines in this section.
